

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

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Washington, D. C.

May 23, 1942

PRICE REGULATION AND SUPPORT PLAN FOR CANNED VEGETABLES IS ANNOUNCED

Details Are Still Being Worked Out but Guiding Principles Have Been Stated

The supplementary regulations to govern applicable price ceilings for canned vegetables, and details of the price-support program of the Department of Agriculture for ceilings on selected commodities, had not been issued at the time the INFORMATION LETTER went to press.

The basis for the regulations and price-support program was announced in the joint statement by the Office of Price Administration and USDA released on May 19 and sent by the Association to all canners.

During the past week a subcommittee of the committee named to represent the Association in conferences with OPA and USDA has been working with the government agencies on details of the program for canned vegetables.

Since issuance of the joint statement the Association has received many questions as to the interpretation of the statement and as to details of the program. These can not be answered in advance of the issuance of the final regulations, which will be sent to all canners as soon as they are available.

Representatives of the fruit canning branch of the industry will confer with OPA during the coming week upon the basis for the supplementary regulations for canned fruits.

As pointed out in the Association's bulletin on the program for canned vegetables, authority to formulate the regulations resides in the government agencies, and the decisions that

WPB Sets Up Over-all Food Committee

In a telegram made public on May 21, Chairman Donald M. Nelson of the War Production Board announced that an over-all food requirements committee is being set up under WPB to establish the policies and programs by which America's food supplies will be produced and processed during the war. The probability is that this committee will be headed by the Secretary of Agriculture and will include representatives of the armed services, the Office of Price Administration, the Board of Economic Warfare, and WPB. Operating details will be handled by existing agencies so that it will not be necessary to set up an elaborate food administration. Chairman Nelson expressed the belief that this program will help to meet America's military and civilian food requirements during the war period and will also enable the United States to continue supplying its allies with the foodstuff they need.

the forthcoming regulations represent will be those of the government agencies concerned.

Text of the joint statement issued May 19, follows:

The Office of Price Administration and the U. S. Department of Agriculture today jointly announced a plan for a price-regulation and price-support program for canned vegetables of the 1942 pack.

Specific price regulation covering canned vegetables at the canner's level will be issued by OPA within the next few days. This OPA regulation will establish new maximum prices for canners on the 1942 pack of canned vegetables to supplant those which have been in effect for canners since May 11, 1942, under the General Maximum Price Regulation.

(Continued on page 7016)

PROPOSED FRUIT COCKTAIL STANDARD

Suggested Definition and Label Statement of Optional Ingredients Issued by FSA

A proposed definition and standard of identity, and label statement of optional ingredients for canned fruit cocktail, were published in the *Federal Register* for May 20, along with proposed findings of fact based on evidence presented at the hearing held on December 11.

Written exceptions to the proposed order may be made within 20 days of May 20 by any interested party whose appearance was filed at the hearing. Such exceptions, in pointing out alleged errors in the proposed order, are required to contain specific references to the pages of the transcript of the testimony or to exhibits, and the exceptions may be accompanied by supporting memoranda or briefs. They must be filed with the Hearing Clerk of the Federal Security Agency, Office of the Assistant General Counsel, Room 2242, South Bldg., 14th St. and Independence Ave., S. W., Washington, D. C.

The standard placed emphasis on the nature, form, color and proportion of the fruit ingredients. Optional packing media are non-restrictive, permitting water, fruit juice and sirups, including fruit juice sirup. Dextrose and corn sirup are permitted as sweetening agents to a specified limit.

Following is the text of the proposed regulation:

§ 27.040 *Canned fruit cocktail, canned cocktail fruits, canned fruits for cocktail—identity; label statement of optional ingredients.*

(a) Canned fruit cocktail, canned cocktail fruits, canned fruits for cocktail, is the food prepared from the mixture of fruit ingredients prescribed in paragraph (b), in the forms and proportions therein prescribed, and one of the optional packing media specified in paragraph (c). It is sealed in a container and is so processed by heat as to prevent spoilage.

(b) The fruit ingredients referred to in paragraph (a), the forms of each, and the per cent by weight of each in the

mixture of drained fruit from the finished canned fruit cocktail are as follows:

(1) Peaches of any yellow variety, which are pitted, peeled, and diced, not less than 30 per cent and not more than 50 per cent;

(2) Pears of any variety, which are peeled, cored, and diced, not less than 25 per cent and not more than 45 per cent;

(3) Whole grapes of any seedless variety, not less than 6 per cent and not more than 20 per cent;

(4) Pineapples of any variety, which are peeled, cored, and cut into sectors or into dice, not less than 6 per cent and not more than 16 per cent; and

(5) One of the following optional cherry ingredients, each of which is stemmed, pitted, and cut into approximate halves, not less than 2 per cent and not more than 6 per cent;

(i) Cherries of any light, sweet variety;

(ii) Cherries artificially colored red; or

(iii) Cherries artificially colored red and artificially flavored.

Each such fruit ingredient is prepared from mature fruit which is fresh or canned. Notwithstanding the preceding provisions of this paragraph, each $4\frac{1}{2}$ ounces avoirdupois of the finished canned fruit cocktail and each fraction thereof greater than 2 ounces avoirdupois contain not less than 2 sectors or 3 dice of pineapple and not less than 1 approximate half of the optional cherry ingredient.

(c) The optional packing media referred to in paragraph (a) are as follows:

(1) Water;

(2) Fruit juice;

(3) Heavy sirup;

(4) Extra heavy sirup; and

(5) Heavy fruit juice sirup; and

(6) Extra heavy fruit juice sirup.

Each of packing media (3) and (4) is prepared with water as its liquid ingredient, and each of packing media (5) and (6) is prepared with fruit juice as its liquid ingredient. Except as provided in paragraph (d) (6), each of packing media (3) to (6), inclusive, is prepared with any one of the following saccharine ingredients; sugar; or any combination of sugar and dextrose in which the weight of the solids of the dextrose used is not more than one-half the weight of the solids of the sugar used; or any combination of sugar and corn sirup in which the weight of the solids of the corn sirup used is not more than one-third the weight of the solids of the sugar used; or any combination of sugar, dextrose, and corn sirup in which the weight of the solids of the dextrose used multiplied by 2, added to the weight of the solids of the corn sirup used multiplied by 3, is not more than the weight of the solids of the sugar used. Packing media (3) to (6), inclusive, are of such densities, respectively, that their measurements on the Brix hydrometer, 15 days or more after the fruit cocktail is canned, fall within the range set forth after each in the following list:

Number of packing medium: Brix measurement

(3) and (5) 18° or more but less than 22°

(4) and (6) 22° or more but not more than 35°

(d) For the purposes of this section—

(1) The term "water" means, in addition to water, both the liquid drained from any fruit ingredient previously canned in water as its sole packing medium and any mixture of water and fruit juice, including the liquid drained from any fruit ingredient previously canned in such mixture.

(2) The term "fruit juice" means the fresh or canned, expressed juice or juices of one or more of the mature fruits named in subsection (b), including the liquid drained from any fruit ingredient previously canned in such juice or juices as its sole packing medium, to which no water has been added, directly or indirectly. Fruit juice may be strained or filtered.

(3) The term "sugar" means refined sucrose or invert sugar sirup. The term "invert sugar sirup" means an aqueous sirup of inverted or partly inverted, refined or partly refined sucrose, the solids of which contain not more than 0.3 per cent by weight of ash and which is colorless, odorless and flavorless except for sweetness.

(4) The term "dextrose" means the hydrated or anhydrous, refined monosaccharide obtained from hydrolyzed starch.

(5) The term "corn sirup" means an aqueous solution obtained by the incomplete hydrolysis of corn starch and includes dried corn sirup; the solids of corn sirup and dried corn sirup contain not less than 58 per cent by weight of reducing sugars.

(6) When the optional packing medium is prepared with fruit juice and invert sugar sirup or corn sirup other than dried corn sirup, it shall be considered to be heavy sirup or an extra heavy sirup, as the case may be, and not a heavy fruit juice sirup or an extra heavy fruit juice sirup.

(7) A heavy sirup or extra heavy sirup, which conforms in all other respects to the provisions of this section, includes a sirup in the preparation of which there is used the liquid drained from any fruit ingredient previously canned in a packing medium consisting wholly of the liquid and saccharine ingredients of a heavy sirup or extra heavy sirup.

(8) Except as provided in subparagraph (6) of this paragraph, a heavy fruit juice sirup or extra heavy fruit juice sirup, which conforms in all other respects to the provisions of this section, includes a sirup in the preparation of which there is used the liquid drained from any fruit ingredient previously canned in a packing medium consisting wholly of the liquid and saccharine ingredients of heavy fruit juice sirup or extra heavy fruit juice sirup.

(e) (1) The optional ingredient specified in paragraphs (b) (5) (ii) and (iii) and (c) (1) to (6), inclusive, are hereby designated as optional ingredients which, when used, shall be named on the label by the name whereby each is specified.

(2) Such names shall immediately and conspicuously, without intervening written, printed, or graphic matter, precede or follow the name "fruit cocktail", "cocktail fruits", or "fruits for cocktail" wherever it appears on the label so conspicuously as to be easily seen under customary conditions of purchase.

Nails and Wire for Boxes Given Higher Rating

Nails and wire for use in non-metal containers have been assigned a rating of A-1-c through the issuance by the War Production Board of Amendment No. 1 to Preference Rating Order P-79. The new rating became effective May 16, and was issued by WPB for purposes of speeding the manufacture of the boxes, hampers, and crates necessary in harvesting operations. Container manufacturers formerly had an A-7 rating which proved too low to obtain necessary nail and wire. The rating applies to iron and steel products used in the production, repair or reinforcement of non-metal containers.

SLICING, GRINDING MACHINES CONTROLLED**WPB Adds New Classifications to Units Covered by Limitation Order L-83**

Food slicing and grinding, dairy, and coffee grinding machinery have been added to the 14 machinery classifications whose distribution is regulated by Limitation Order L-83, administered by the War Production Board. While retaining rigid control over acceptance of orders and deliveries by manufacturers, distributors and all other persons of new, used and reconditioned machinery of these classifications, Order L-83 as revised, permits production of new machinery for stock, without authorization. The original order included packaging and labeling machinery, but new, second-hand, or reconditioned machinery for the packaging and labeling of fruits and vegetables in hermetically sealed containers was exempted. (See INFORMATION LETTER for April 18.)

In general, no person may accept an order for machinery covered by the limitations of L-83 except upon an approved order. Approved orders include those for the armed forces, United Nations, Lend-lease, and any orders bearing an A-9 or higher preference rating issued at any time on an original PD-1, PD-1A, or P-19h certificate, or on a PD-3, PD-3A or any rating in the P-19 series issued prior to the effective date of the order—May 18 (and April 9 for the original 14 classifications).

Manufacturers or distributors who have orders on their books which are not in the approved category may apply to WPB for permission to fill them, giving a complete description of the machinery involved, its value, the use to which it is to be put, the name of the purchaser or lessee, and other pertinent data. The Director of Industry Operations will authorize fulfillment of such orders if he deems them necessary to promote the war program.

As in the original order, the amendment places no prohibition on deliveries of less than \$1,000 worth of parts to repair or maintain a single piece of machinery or on deliveries of parts worth more than \$1,000 in cases where there has been an actual breakdown or suspension of operations because of damage or destruction of machinery.

Use of Priority Application PD-285

Canners' attention is called to the fact that applications made to the War Production Board on PD-285 for authority to use an A-3 rating when buying canning machinery and equipment, must be counter-signed at WPB and returned to the canner before the canner is authorized to use the rating. Canners should retain in their files a record of the fact that the PD-285 was properly counter-signed. The canner also must assure the supplier that the PD-285 form has been properly counter-signed and that authority has been granted the canner to use the rating. WPB advises that either of the following practices may be used:

(1) Send the counter-signed PD-285 to the supplier with the purchase order and record on the canner's file copy of the PD-285 the serial number on the counter-signed copy.

(2) To endorse the purchase order going to the supplier with the usual endorsement used for repairs and operating

supplies to which should be added "authority to use A-3 rating granted by approved PD-285" (give serial number). If the second practice is followed by the canner the counter-signed PD-285 should be retained in his files as evidence of authority to use the preference rating on the purchase order of the equipment listed.

ODT Names Terrill for Food Transport Duties

Over-the-road transportation of food products by motor truck will be handled in the Office of Defense Transportation by F. O. Terrill, of Cincinnati, who has been named special assistant to the Operations Section, Division of Motor Transport. Since 1930 Mr. Terrill has been connected with the Kroger Grocery and Baking Company where he was in charge of purchasing and operation and maintenance of highway transport equipment for that organization.

ICC PERMITS IN-TRANSIT STORAGE**Distributors May Stop Shipments Enroute Without Losing Through-rate**

Transcontinental rail carriers were authorized by the Interstate Commerce Commission on May 20 to permit storage in transit of canned foods originating on the Pacific Coast. The Commission's action, which took the form of approving a proposal of the Transcontinental Freight Bureau for in-transit storage privileges, will enable distributors to stop shipments at intermediate points for storage and at the same time protect the through-rate from the original shipping destination. The move was designed to relieve the drain upon warehouses at strategic coast cities and to insure storage of canned foods reserves at interior points beyond the range of possible aerial attacks.

The usual storage by distributors of canned food purchases at points-of-origin until the goods are needed for distribution is difficult this year because of the requisitioning of substantial percentages of canned foods by the Government which requires cannerys to store them until needed. Heavy drains on public warehouse facilities in principal marketing centers on both coasts and the scarcity of bottoms for water hauls were additional reasons for the new regulation of which the outstanding features are the following:

1. The privilege will expire one year from the effective date of the publication of the tariffs.
2. The identity of the shipment must be maintained, i. e., several articles arriving at the in-transit point in separate carloads cannot be mixed when re-shipped, with certain exceptions. Only one stop for storage is permitted and this only at points east of California, Oregon, Washington, and British Columbia.
3. The charge will be $3\frac{1}{2}$ ¢ per hundred pounds.
4. Merchandise will be permitted to remain in storage at the in-transit point for as long as the individual carriers may provide in their tariffs.
5. Merchandise may be labeled in transit.
6. Shipments can be made in unsealed containers.

WALSH-HEALEY EXEMPTION EXTENDED**Unlimited Overtime on Certain Public Contract Products Permitted Through 1942**

The exemption of a specified list of canned fruits and vegetables from certain provisions of the Walsh-Healey Act has been extended through December 31, 1942, by order of the Secretary of Labor.

The exemption applies to any contract subject to the Walsh-Healey Act awarded by an agency of the United States Government. It permits unlimited overtime work insofar as the Walsh-Healey Act is concerned but does not affect the wage and hour provisions of the Fair Labor Standards Act. It applies only to the varieties of canned fruits and vegetables listed in the original exemption which expired December 31, 1941, and which was extended to May 10, 1942. (This list of products was published in the INFORMATION LETTER for May 2.)

The order now in effect differs from the original order in that the present exemption extends to both spot and futures contracts and is not limited to futures contracts.

Issuance of the order is based upon written findings made by the Secretary of War on April 28 that inclusion in contracts of the stipulations of Section 1 of the Walsh-Healey Act would seriously impair the conduct of government business. The Secretary of Labor thereafter gave opportunity to trade unions, publications and labor unions to show cause why the exception should not be granted and no objection or protest was received.

A full discussion of the application of the Walsh-Healey Act to the operations of the canning industry will be published in next week's INFORMATION LETTER. Notice of the granting of the above-mentioned extension of the exemption was distributed to the industry by special mailing early this week.

Sugar Allotments for Home Canning Increased

Sugar allotments for home canning were liberalized May 20 when the Office of Price Administration issued Amendment No. 1 to Rationing Order No. 3. The amendment permits a consumer to obtain sugar for canning or preserving fresh fruits to be consumed by his own family unit in an amount not to exceed one pound per four quarts of finished canned fruit and one pound per year per person for use in preparing preserves, jams, jellies or fruit butters.

Previous regulations restricted each sugar card holder to five pounds for home canning or preserving. OPA explained that the liberalization was made to conserve fruit which might otherwise be wasted and to supplement commercially canned supplies, thus reducing the burden on transportation facilities.

In making application for home-canning supplies registrants are required to use special forms obtainable from local boards at times and places to be announced later. These forms will require the applicant to furnish information as to the number of quarts she packed last year, the amount of home-canned fruit now in her possession, and the number of quarts she intends to can.

Use of Tin Limited to 8 Civilian Items

The use of tinplate and terneplate, except by special authorizations already granted, such as Order M-81 and other controls, was limited to eight specific items by the Director of Industry Operations in a May 18 revision of Supplemental Order M-21-e.

The permitted uses include cans, as authorized by M-81; closures, as authorized by Order M-104, and the following other uses outside the canning industry: Baking pans for institutions and commercial bakers, dairy equipment, cheese vats, gas meters, oil lanterns, textile spinning cylinders and card screens.

All other uses, except for Army, Navy and Maritime Commission contracts, are stopped.

All possessors of stocks of tinplate or terneplate frozen by the order are required to file with the War Production Board an itemized list of their holdings so the material may be purchased from them and channeled into war production.

Manpower Utilization Directives to be Issued

Chairman Paul V. McNutt of the War Manpower Commission announced May 21 the preparation of directives to become effective June 1 that will help to coordinate the activities of the various government agencies dealing with the utilization of manpower. Among the directives to be issued are the following:

A directive to the Selective Service System to instruct all its local boards located in a community served by the United States Employment Service to secure the advice of the local public employment office before classifying or reclassifying an individual skilled in a critical war occupation.

A directive to the United States Employment Service to increase its activities and facilities necessary to provide additional agricultural workers.

A directive to the Farm Security Administration to increase the number of mobile labor camps in order to make available workers in agriculture to achieve the "Food For Victory" objective.

A directive to the Office of Defense Transportation and the Farm Security Administration to assure adequate transportation facilities to move migrant agricultural workers.

A directive to War Production Board to classify war plants and war products in the order of their urgency in the war program.

In making the announcement, Chairman McNutt emphasized that the directives cannot be entirely successful unless there is full cooperation with the Government. He urged that all employers recruit their new workers through the United States Employment Service, and that all persons desiring war work register with the Service.

Ring Binder for Information Letter

Permanent files of the INFORMATION LETTER are especially valuable to members at this time, as they provide a record of orders and regulations affecting the canning industry that are issued by the various government agencies. For convenience in filing the LETTERS as they are issued, the Association has arranged to furnish a ring binder that will hold a year's copies. The price is \$1 postpaid.

Stocks and Shipments of Canned Peas

Stocks of canned peas in canners' hands on May 1, 1942, were more than two million cases less than on the corresponding date in 1941, according to the Association's Division of Statistics. Shipments during the 11-month period—June 1, 1941 to May 1, 1942—were more than four and a half million cases larger than during the same period a year ago. The following table gives comparisons of stocks and shipments:

	1940-41	1941-42
	Cases	Cases
Total Stocks May 1.....	3,002,536	803,927
Shipments during April.....	1,419,121	935,380
Shipments June 1 to May 1.....	25,086,354	29,743,800

The table below presents detailed reports, by regions and varieties, of stocks on May 1, 1942, and shipments during specified periods:

N. Y. and Me.: Alaskas..... Sweets.....	Stocks May 1		Shipments during April		Shipments June 1 to May 1	
	1941	1942	1941	1942	1940-41	1941-42
	Cases	Cases	Cases	Cases	Cases	Cases
Alaskas.....	12,234	2,215	13,286	5,004	182,067	161,214
Sweets.....	308,475	69,600	127,485	59,003	2,172,508	2,073,916
Mid-Atlantic:						
Alaskas.....	60,524	13,012	60,723	5,251	2,062,835	1,547,124
Sweets.....	51,319	8,625	5,105	5,057	328,753	601,167
Mid-West:						
Alaskas.....	886,015	188,627	449,417	242,538	7,887,471	9,356,086
Sweets.....	1,018,926	209,471	500,300	311,329	6,644,131	7,721,736
Western:						
Alaskas.....	3,000	1,490	2,544	475	88,086	84,942
Sweets.....	662,043	310,878	260,261	305,352	5,520,503	8,197,615
Total U. S.:						
Alaskas.....	961,773	205,344	525,970	253,958	10,230,439	11,140,366
Sweets.....	2,040,763	568,583	893,151	681,431	14,865,805	18,504,434

Stocks and Shipments of Green and Wax Beans

Stocks of green and wax beans in canners' hands on May 1, 1942, were less than half the amount in stock on the corresponding date last year, according to figures compiled by the Association's Division of Statistics.

Shipments from July 1, 1941, to May 1, 1942, totaled 12,367,746 cases, as compared with 9,398,943 cases in the corresponding period of the preceding season. The following table, furnishing detail by regions, is based on reports from 97 per cent of the canners packing green and wax beans in 1941, together with estimates for the three per cent not reporting:

GREEN BEANS:	Stocks May 1		Shipments during April		Shipments July 1 to May 1	
	1941	1942	1941	1942	1940-41	1941-42
	Cases	Cases	Cases	Cases	Cases	Cases
Northeast.....	47,953	46,131	111,871	21,032	822,732	1,080,865
Middle Atlantic.....	41,307	28,743	86,553	27,651	1,905,381	2,269,017
Mid-West.....	77,141	12,224	60,402	36,317	1,299,008	1,497,051
Western.....	234,313	81,278	156,425	87,314	2,560,630	3,059,061
Southern.....	27,065	31,083	21,599	1,141	1,405,010	2,897,010
Total Green.....	447,800	193,450	436,850	174,355	8,052,821	10,753,004
WAX BEANS:						
Northeast.....	59,782	27,654	48,413	21,031	486,087	740,234
Middle Atlantic.....	2,397	3,576	2,617	214	180,360	191,230
Mid-West.....	29,838	5,364	29,410	27,661	583,000	588,443
Western.....	19,390	5,397	8,988	2,782	93,104	94,845
Southern.....					3,475	
Total Wax.....	111,416	41,991	80,428	51,668	1,346,122	1,614,742

GREEN PEAS FOR PROCESSING

Bureau of Agricultural Economics Estimates Nearly 26 Per Cent Increase Over 1941

The preliminary estimate of the 1942 acreage planted in the United States to green peas for processing, including freezing, is 485,350 acres, according to the Bureau of Agricultural Economics of the U. S. Department of Agriculture. This compared with 386,160 acres planted in 1941 and the average annual plantings for the preceding 10-year (1931-40) period of 294,330 acres.

The revised estimate of the acreage of green peas harvested last year is 362,440 acres. The difference between 386,160 acres planted and 362,440 acres harvested, or 23,720 acres for the United States represents the loss of acreage from unfavorable weather conditions and also, in Oregon and Washington, acreage from which considerable quantities of green peas were diverted to uses other than canning or freezing. This represents a loss in the 1941 acreage of about 6 per cent which is somewhat larger than for any year since 1936.

Of the 485,350 acres of peas estimated for planting in 1942, it is estimated that 292,640 acres or 60.3 per cent consist of sweet, wrinkled varieties and 39.7 per cent or 192,710 acres are smooth, round varieties. In 1941, 240,330 acres or 62.2 per cent were planted to sweet, wrinkled varieties and 145,830 acres were smooth, round varieties.

The following tabulation shows for the United States, the acreage of green peas planted for freezing in recent years: 1938—25,360 acres; 1939—28,900; 1940—35,100; 1941—33,830; and 1942 (prelim.)—46,170.

The table below shows, by States, the Bureau's estimates of preliminary 1942 acres of peas for processing, together with comparisons with 1941 planted acreage and a percentage comparison between the two years:

State	1942		As per cent of 1941
	1941 Acres	preliminary Acres	
Maine.....	4,500	5,300	118
New York.....	42,000	46,000	110
Pennsylvania.....	48,000	10,300	120
Ohio.....	6,200	8,300	134
Indiana.....	*10,800	14,500	134
Illinois.....	17,300	21,500	124
Michigan.....	*11,700	13,200	113
Wisconsin.....	129,100	160,000	124
Minnesota.....	*28,500	39,900	140
Iowa.....	*3,300	3,900	118
Delaware.....	2,800	3,000	107
Maryland.....	18,800	23,300	125
Virginia.....	3,400	4,400	129
Colorado.....	4,450	5,300	119
Utah.....	13,700	16,400	120
Washington.....	34,500	47,000	136
Oregon.....	*30,000	41,800	135
California.....	1,850	3,900	211
Other States ^a	13,760	17,150	125
U. S. Total.....	386,160	485,350	125.7

^a Revised. ^b "Other States" include: Arkansas, Idaho, Kansas, Montana, Nebraska, New Jersey, Oklahoma, Tennessee, Texas, and Wyoming.

Sherman McLoud, Fish Canner, Dies

Sherman M. McLoud, 53, superintendent of the Gorton-Pew Fisheries Co. canning plant at Gloucester, Mass., died May 5 following a year of illness. Mr. McLoud had been in charge of the plant from the time it was established 25 years ago.

INFORMATION LETTER

Stocks and Shipments of Canned Tomatoes

Stocks of tomatoes in canners' hands on May 1, 1942, amounted to 2,083,854 actual cases compared with 6,173,640 cases on May 1, 1941, while shipments during April, 1942, were 896,049 cases compared with 1,866,556 cases shipped during April, 1941, according to an estimate by the Association's Division of Statistics, based on reports from about 94 per cent of the canners packing tomatoes during 1941, together with estimates for those not reporting.

The following table shows, in actual cases, by regions, stocks in canners' hands on May 1, 1941, and May 1, 1942, and shipments during April, 1941, and 1942:

Region	Stocks—May 1		Shipments—April	
	1941	1942	1941	1942
	Cases	Cases	Cases	Cases
Northeast.....	306,130	145,845	68,105	56,354
Middle-Atlantic.....	1,101,908	530,773	472,273	297,110
Mid-West.....	885,009	276,149	497,818	201,348
Tennessee-Kentucky.....	174,750	683	75,088	1,762
Ozark Territory.....	1,508,735	44,078	307,027	10,269
Western.....	333,159	105,530	129,562	36,232
California.....	1,858,457	980,790	216,412	292,905
Southern.....	5,402	.....	10,271	.....
Total U. S.	6,173,640	2,083,854	1,866,556	896,049

Stocks and Shipments of Tomato Juice

Stocks of canned tomato juice in canners' hands on May 1, 1942, amounted to 3,411,906 cases as compared with 2,826,764 cases on the corresponding date in 1941. Shipments during April, 1942, were 903,558 cases as compared with 976,806 cases during April last year. From August 1, 1941, to May 1, 1942, shipments totaled 16,199,261 cases, or nearly 5½ million cases more than during the corresponding period of the previous season.

The following table presents the stocks of canned tomato juice in canners' hands on May 1, by can sizes. These figures are based by the Association's Division of Statistics on reports from 93 per cent of the canners who packed in 1941, together with estimates for the remainder.

Can name	Cans per case	May 1 stocks Cases
8 Z Tall (including 8 Z Short).....	48	66,508
No. 1 Pienie.....	48	33,979
No. 211 Cylinder.....	48	107,031
No. 300 (Including all 300 cans from 407 to 412).....	48	387,482
No. 1 Tall.....	48	64,510
No. 303 Cylinder.....	24	431,675
No. 2.....	24	226,688
No. 2 Cylinder (including all 307 cans from 505 to 513).....	24	318,496
No. 3 Cylinder (including all 404 cans from 615 to 708).....	12	875,687
No. 10.....	6	509,914
Miscellaneous Tin.....	.....	166,635
Glass.....	.....	223,301
Total.....	.....	3,411,906

Indiana Technician School Dates Set

The annual Technician's School sponsored by the Indiana Canners Association will be held this year at Purdue University Horticultural Building, Lafayette, Ind., from June 10 to 19. Technicians from the National Canners Association and the can companies will be in charge of the school.

PRICE REGULATION AND SUPPORT PLAN

(Continued from page 7011)

The announcement of a specific formula establishing ceilings on canned vegetables prior to actual issuance of the regulation is designed to advise the canning trade regarding the Department of Agriculture's and OPA's position as the 1942 active packing season begins.

While the OPA price regulation applies to most canned vegetables, the Department of Agriculture's support of prices is made to assure production of sufficient quantities of certain canned vegetables to meet the expanding needs of the armed forces, the United Nations, and domestic consumption. The canned vegetables to be supported by the Department's program are asparagus, lima beans, snap beans, beets, sweet corn, carrots, peas, spinach, pumpkins, squash, tomatoes and tomato juice.

Principal provisions of the support program are guaranteed prices to canners of these specified canned vegetables at 92 per cent of the canner's individual gross ceiling prices; price guarantees limited to U. S. Grades A, B and C; and guaranteed prices to canners in any area in no case to exceed 95 per cent of the average ceiling price, by can sizes, for (1) all sales within a given grade, or (2) all sales of a particular style or size within a given grade, whichever is lower. Detailed provisions will be worked out with the assistance of a subcommittee of canners selected by the industry.

In announcing this support, which will be carried out by the Agricultural Marketing Administration, Agriculture Department officials pointed out that the action assures an outlet, through canners, for crops that growers already have contracted to produce. It supplements price support measures already in effect to obtain expanded production of tomatoes and peas and extends price supports to other specified canning crops.

In a joint statement, Secretary of Agriculture Claude R. Wickard and Price Administrator Leon Henderson said:

"The price regulation and support program has been drafted with the three-way purpose of enabling canners to operate at maximum production; to enable farmers to produce to capacity; and to protect consumers against paying prices for canned vegetables higher than those prevailing in March."

Broad general features of the forthcoming canned vegetable price regulation were outlined by OPA officials. The regulation is expected to enable each canner to establish his maximum f.o.b. factory prices for the 1942 pack for individual grades and sizes by using the following formula:

(1) The weighted average price charged by the canner for certain sales of each grade and container size made by him during the first 60 days after beginning of the 1941 pack.

(2) To which shall be added eight per cent to compensate for necessary increases in cost incurred in putting up the 1942 pack as compared with that of 1941, exclusive of raw material costs.

(3) To this may be added the actual increases in the cost of raw materials for the 1942 pack over the 1941 pack. However, such increases shall not exceed advances in the cost of raw materials as of May 4, 1942.

This formula applies only at the canner's level and only to the canned vegetables put up by the canner during the 1942 pack. Ceilings for the 1941 packs and those of prior

years will remain the highest prices prevailing in March 1942, as provided by the General Maximum Price Regulation.

OPA headquarters indicated that the new base prices under the formula probably will result in a more equitable price level between the individual canners than the basis which existed during March, 1942. Since May 11, 1942, canners have been operating under the General Maximum Price Regulation with their ceilings at the peak March sale or delivery prices. March generally represents the tail-end of the old packing season and, therefore, many canners were either out of stock and made no sales or made deliveries in that month based on sales made in an earlier period.

It is expected that application of the new pricing formula will tend to equalize and establish a fairer and more uniform canner price level for canned vegetables. In some instances, it may result in an increase in the individual canner's ceiling price for canned vegetables from the current March, 1942 level, under which he is now operating. In other cases, the switch to the formula may result in a decrease in the individual canner's maximum price. In all events, however, the new OPA regulation is designed to compensate for the canner's necessary increased costs, including raw materials and labor for putting up the 1942 pack and at the same time invoke a minimum of hardship to the distributor.

Immediately following issuance of the canned vegetable regulation, OPA and Agriculture will direct attention toward canned fruits. Preliminary studies are being made from results of a questionnaire sent to the trade by OPA. Definite price regulation on canned fruits is expected to follow in short order, OPA officials said.

Price Control for Hawaii Postponed to June 18

Because of delays in transportation and communications between continental United States and Hawaii, Price Administrator Leon Henderson on May 18 announced the postponement until June 18 of the date on which universal price ceilings would apply in Hawaii.

The postponement, contained in Supplementary Regulation No. 5 to the General Maximum Price Regulation, will give those selling goods at manufacturing, wholesale and retail levels in the Territory of Hawaii added time to arrange to conform to the Regulation.

The provision that persons subject to the Regulation must at once preserve all existing records showing their prices during the March base period remains unchanged.

Testimony Opposes Trade Pact with Mexico

Representatives of several agricultural States have presented testimony during the week before the Committee for Reciprocity Information, opposing the proposed trade agreements with Mexico and Bolivia.

A delegation led by Senator Claude Pepper of Florida argued that growers of 2,000,000 acres of tomatoes, vegetables, limes and other fruits in that State would suffer from competition with similar products sent into the country from Mexico. Pea growers from California testified that the Imperial Valley could not face easy-duty competition. Pepper growers from the same State proposed the vegetable tariff reductions on the basis that Mexico is not suffering from the current 5 cent rate, whereas California growers and packers would be harmed by loss of the duty protection.

PRICE SUBSIDY IS PROPOSED

Senate Committee Suggests Financing of Farm Products Adversely Affected by Ceilings

The Senate Banking and Currency Committee has suggested that the Commodity Credit Corporation be authorized to subsidize agricultural commodities adversely affected by maximum price regulations. For this and other purposes the Corporation would be permitted to increase by \$1,000,000,000 the amount of notes, bonds, debentures, and other obligations it may have outstanding at any one time.

This action of the Senate Committee was contained in an amendment to a House bill that would increase the note issuing power of the Reconstruction Finance Corporation by \$5,000,000,000. The Committee's amendment also would give the RFC authority to make subsidy payments with respect to commodities, other than agricultural commodities, affected by maximum price regulation.

In its formal report to the Senate, the Committee gave the following summary of the purposes of the proposed extension of the Commodity Credit Corporation's powers:

There are a number of agricultural commodities, with respect to which the maximum prices established under the Emergency Price Control Act of 1942 will not permit the production, importation, and processing of the supplies needed in the war effort. This is particularly true of the oil-bearing crops, such as soybeans, peanuts, and various imported oil-bearing materials. A similar situation may be encountered with respect to wool and a number of other agricultural commodities. In order to secure the production or importation of adequate supplies of these commodities, it may be necessary in some cases for the Commodity Credit Corporation to purchase these commodities at prices above the level at which they can be processed and resold under the maximum price ceilings that have been or may be established. In other cases it may be more feasible to make payments with respect to the production, processing or marketing of agricultural commodities in an amount sufficient to enable the producers, processors, or merchants to carry out their operations and sell their products in line with the maximum price established under the Emergency Price Control Act. Other purchase operations may be carried out which require the use of substantial sums of money but involve no losses or payments.

The RFC, Commodity Credit Corporation, and Office of Price Administration have approved the Committee amendments. Senate action on the measure is scheduled for May 26. The adoption of amendments to the bill by the Senate will make further House action necessary.

Scope of Annual Flag Day Is Broadened

This year the annual observance of Flag Day on June 14 is to be extended so that Americans can express their recognition of the flags of all 26 United Nations instead of confining the occasion to repledging allegiance to the Stars and Stripes. The Office of Civilian Defense has announced that in Washington and other communities arrangements are being made to carry out the United Nations emphasis in all Flag Day observances. OCD also announces it is preparing a manual and other materials for the use of local defense councils and other community groups.

WAR DEVELOPMENTS AFFECTING CANNERS

Price Controls and Other Regulations Imposed on Products Used in Food Packing

During the week a number of government regulations were issued by various agencies, affecting products that are used in canning operations. Highlights of some of these are given briefly in the following paragraphs:

Agricultural insecticide and fungicide sales at retail have been declared seasonal by the Office of Price Administration, which has issued a regulation to determine the manner in which maximum retail prices are to be established. Under terms of this regulation, which became effective May 18, any seller at retail is to determine his selling price of each brand and package-size during the calendar month between April 1, 1941 and March 31, 1942 in which he made the largest deliveries of the item to users. He determines the cost to him of the goods he delivered to users in that month, and then computes the dollar and cents margin between the ceiling price and the cost price. The margin is to be added to the maximum price that can be charged to the retailer by his supplier under terms of the General Maximum Price Regulation and the resulting figure is the maximum retail price for the item, to remain so unless changed by special order.

Air conditioning and commercial refrigeration equipment is barred from new installations except to meet war and essential civilian requirements under Limitation Order L-38. Installations designed solely for personal comfort, such as theaters, restaurants, hotels, etc., will not be permitted.

Extracted honey is covered under the General Maximum Price Regulation at all levels, including retailer, wholesaler, bottler, importer and beekeeper, according to an OPA ruling. However, comb honey is excluded from the regulation as a raw agricultural commodity. OPA ruled that extracted honey is covered because it is processed, stating that operations such as straining or centrifuging constitute processing.

Farm machinery manufacturers cannot dispose of surplus inventories of iron or steel in raw or partially fabricated condition which are in excess of requirements under Limitation Order L-26 establishing production quotas for most types of farm equipment. Farm equipment has been removed from the list of "critical materials" subject to the terms of General Exports Order M-148, which gives preference to orders from Latin-America.

Tin and lead scrap dealers and consumers must file reports on or before the 10th of each month showing scrap inventory, production, purchases, sales and consumption, etc., with the Bureau of Mines, on special forms. These requirements are specified in revisions of Order M-72, which also authorize the Director of Industry Operations to issue specific directions as to shipments of scrap or materials produced from scrap.

Raw Products Research in Booklet Form

Issues of the INFORMATION LETTER beginning with that for October 11, 1941, have contained items of particular interest to canners and their fieldmen who wish to keep in close touch with the work relating to agricultural research. These have appeared under the heading "Raw Products Research Activities." These items have now been brought together in a single 44-page publication, with index.

Copies of the booklet, which also is titled "Raw Products Research Activities," have been sent to members of the Association, and additional copies will be sent upon request

directed to the Association's Raw Products Bureau so that each fieldman, or others in canners' organizations who are particularly interested, may be supplied.

Stocks and Shipments of Canned Lima Beans

Stocks of canned fresh lima beans on May 1, 1942, amounted to 100,965 cases as compared with 203,976 cases on April 1, 1942, according to figures compiled by the Association's Division of Statistics. Details are shown in the following table:

	Cases
May 1, 1942	74,456
Sold not shipped	26,513
Unsold	.....
Total	100,965
April 1, 1942	203,976
May 1, 1941	(a)
Shipments During April, 1942	103,011
During April, 1941	(a)
August 1, 1941, to May 1, 1942	2,308,294
August 1, 1940, to May 1, 1941	(a)

(a) Not available.

Fruit and Vegetable Market Competition

Carlot Shipments as Reported to the Agricultural Marketing Service by Common Carriers

Supplies of spinach on the fresh vegetable market for the week ending May 16, 1942, were smaller than for the corresponding week in 1941, but supplies of snap and lima beans, tomatoes and green peas were larger, according to the Agricultural Marketing Service, as evidenced by carlot shipments.

Supplies of citrus fruits also were larger for the week ending May 16, 1942, than for the same date a year ago.

The following table, compiled from statistics of the AMS, gives detailed comparisons of carlot shipments on certain dates of selected vegetables and fruits:

VEGETABLES	Week ending				Season total to—
	May 10, 1941	May 10, 1942	May 9, 1942	May 10, 1941	
Beans, snap and lima	130	234	390	3,017	3,406
Tomatoes	873	1,611	876	10,273	11,946
Green peas	96	120	141	2,045	2,232
Spinach	6	4	6	5,077	6,038
Others:					
Domestic, competing directly	1,678	1,325	1,200	38,910	43,075
Imports, origin not specified	8	3	20	33	26
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FRUITS					
Citrus, domestic	4,643	4,254	4,810	118,916	125,998
Others, domestic	1,394	1,098	1,778	21,322	21,308

Use of Can Sizes from Prepared Tinplate

Stocks of tinplate prepared for manufacture and on hand February 11, 1942, may be made into the can sizes for which the plate was prepared, according to authority contained in Amendment No. 2 to Order M-81, which was published in the May 2 INFORMATION LETTER. These can sizes may be bought and used by the canner for those products in Tables I and II of Order M-81 for which such sizes are specifically permitted. If can sizes are manufactured that are not permitted for any product in M-81, such can sizes may be used for packing any product listed in Tables I and II.